

OVERSIGHT BOARD RESOLUTION NO. **13-08**

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MONTEBELLO APPROVING THE FEBRUARY 1, 2012 TRANSFER OF CERTAIN HOUSING ASSETS FROM THE SUCCESSOR AGENCY TO THE CITY OF MONTEBELLO AS HOUSING SUCCESSOR

WHEREAS, on February 1, 2012, the Community Redevelopment Agency of the City of Montebello ("Agency") was dissolved by way of Assembly Bill ("AB") 1x26 (as subsequently amended by AB 1484, the "Dissolution Act") and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231;

WHEREAS, the Dissolution Act created the Montebello Successor Agency ("Successor Agency") to effectuate the "winding down" of the Agency, and is a separate and independent public entity from the City of Montebello ("City") which provides for its governance;

WHEREAS, as authorized by the Dissolution Act, the City to elected to serve as the Agency's "housing successor" (in such capacity, "Housing Successor"), and thereby is authorized to retain and manage the "housing assets" and functions of the former Agency in accordance with the low-and-moderate income housing provisions of the Community Redevelopment Law (Health & Safety Code § 34176);

WHEREAS, the Successor Agency has indicated that as of its date of dissolution, the Agency had low-and-moderate income housing assets valued at \$22,248,662, comprised of the following, and such were transferred to the Housing Successor upon dissolution of the Agency:

<u>Type of Asset</u>	<u>Amount / Value</u>
Cash	\$ 11,223,941
Due to LMIHF (deferrals)	\$ 8,956,665
Real Property	\$ 2,040,830
Machinery and equipment	\$ 27,225
<u>TOTAL</u>	\$ 22,248,662

WHEREAS, the Dissolution Act created the Montebello Oversight Board ("Oversight Board") to oversee, review, and approve certain actions of the Successor Agency, and is authorized to direct the transfer of housing assets of the former Agency to the Housing Successor (Health & Safety Code § 34181(c));

WHEREAS, the Successor Agency has indicated that on or about December 20, 2012, \$8,719,322 of the former Agency's low-and-moderate income housing fund ("LMIHF") cash was remitted to the Los Angeles County Auditor-Controller in compliance with the State Department of Finance's ("Finance") LMIHF due diligence review determination ("DDR Payment");

WHEREAS, the Successor Agency has indicated that the remaining LMIHF cash of the former Agency was used to make payments on approved “enforceable obligations” listed on the Recognized Obligation Payment Schedule covering January through June 2013 (“ROPS III”), and such payments were approved by the Oversight Board and Finance;

WHEREAS, on September 27, 2012, Finance issued its determination on the Housing Successor’s “housing asset list” (“Housing Asset Determination”) (Health & Safety Code section 34176(a)(2)), and recognized the amounts due to the LMIHF, the machinery and equipment, and a single family dwelling (APN 5267-008-900) valued at \$366,230 as “housing assets” of the Housing Successor;

WHEREAS, following Finance’s Housing Asset Determination, the Successor Agency has provided additional documentation to the Oversight Board evidencing that the remaining housing-related real property assets of the former Agency were purchased with LMIHF monies for low-and-moderate income housing purposes;

WHEREAS, Successor Agency Staff has informed the Oversight Board that the State Controller’s Office, pursuant to its audit authority, has questioned the transfer of the former Agency’s housing assets to the Housing Successor, with exception of the DDR Payment, on grounds that the Oversight Board did not approve the transfer;

WHEREAS, the Successor Agency desires to obtain Oversight Board approval or consent for the February 1, 2012 transfer of the remaining “non-cash” housing assets of the former Agency to the Housing Successor (“Non-Cash Housing Assets”), as such assets are listed on Exhibit “A” hereto, so that such assets may be used to benefit the low-and-moderate income residents of the community;

WHEREAS, the Oversight Board has considered staff presentations, reports, discussions and public comments and other evidence presented;

WHEREAS, in accordance with Health & Safety Code section 34181(c), the Oversight Board wishes to approve the February 1, 2012 transfer of the Non-Cash Housing Assets of the former Agency to the Housing Successor, so that such assets may be used by the Housing Successor to benefit the low-and-moderate income residents of the community, and further desires to ratify use of LMIHF cash to pay enforceable obligations on ROPS III.

NOW THEREFORE, THE MONTEBELLO OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Oversight Board approves and consents to the transfer of the Non-Cash Housing Assets of the former Agency to the Housing Successor and ratifies of the use of LMIHF cash on enforceable obligations on ROPS III.


SECTION 2. The Oversight Board finds and declares that those certain Non-Cash Housing Assets, identified on Exhibit “A” hereto, constitute “housing assets” as defined in subdivision (e) of Health & Safety Code section 34176, and the Oversight Board therefore approves the February 1, 2012 transfer of such Non-Cash Housing Assets to the Housing Successor, in accordance with (c) of Health & Safety Code Section 34181.

SECTION 3. The Oversight Board finds and declares that \$2,504,620 in LMIHF cash was expended on enforceable obligations during ROPS III, and such expenditure shall be deemed approved by the Oversight Board.

SECTION 4. Successor Agency staff is hereby directed to provide notice of this Resolution to the Department of Finance in compliance with Health & Safety Code Section 34179(h), and this Resolution and the actions approved hereby shall be subject to review by the Department of Finance.

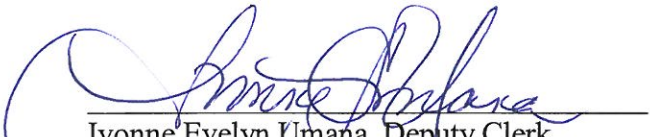
SECTION 5. The Clerk of the Oversight Board shall certify to the passage and adoption of this Resolution, and it shall become effective immediately upon its approval.

PASSED, APPROVED and ADOPTED this 13th day of November, 2013



Richard Bruckner, Chairperson
City of Montebello Oversight Board

ATTEST:



Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the Montebello Oversight Board

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the City of Montebello Oversight Board at a special meeting held on the 13th day of November 2013 by the following vote:

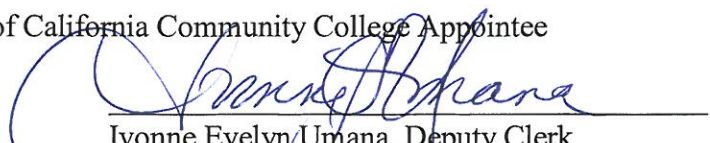
AYES: Board Members: Edgar Cisneros, Angel F. Barnuevo, Denise Hagopian,
Cheryl Plotkin, Vice Chair Ernesto Hidalgo, Chair Richard Bruckner

NOES: None

ABSENT: None

ABSTAIN: None

VACANT: Chancellor of California Community College Appointee



Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the Montebello Oversight Board

Exhibit “A” – Housing Assets

- Deferrals owed to low-and-moderate-income housing fund in the amount of \$8,956,665
- Machinery and equipment valued at \$27,225
- The following real properties located in the City of Montebello:
 - APN 5267-008-900 2917 Via Campo
 - APN 6346-025-911 520 W Whittier Blvd
 - APN 6346-025-912 522 W Whittier Blvd
 - APN 6346-025-913 528 W Whittier Blvd
 - APN 6346-025-906 117 N 5th Street
 - APN 6346-025-907 125 N 5th Street
 - APN 6346-025-910 114 N 6th Street
 - APN 6346-025-908 116 N 6th Street
 - APN 6346-025-909 116 N 6th Street
 - APN 6349-005-005 132 S 6th Street

OVERSIGHT BOARD RESOLUTION NO. **13-09**

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MONTEBELLO APPROVING THE JANUARY 4, 2011 REDEMPTION PAYMENT RELATING TO THE MONTEBELLO ECONOMIC REVITALIZATION PROJECT 1993 TAX ALLOCATION BONDS, MADE FROM THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MONTEBELLO TO THE CITY OF MONTEBELLO

WHEREAS, on June 30, 1993, the Community Redevelopment Agency of the City of Montebello ("Agency") issued the Montebello Economic Revitalization Project 1993 Tax Allocation Bonds in the amount of \$4,757,015 (the "Bonds"), and the proceeds thereof were used for legitimate redevelopment purposes;

WHEREAS, the Successor Agency has indicated that the Bonds were purchased by the City of Montebello ("City") on the open market, and were scheduled to mature on June 1, 2011;

WHEREAS, on December 8, 2010, redemption of the Bonds was approved consistent with the authorizing indenture (with the consent of the approval of the City as holder of all of the Bonds), the Agency approved the requisite redemption payment in the amount of \$5,042,436, and the payment was subsequently processed on January 4, 2011 ("Redemption Payment");

WHEREAS, the Successor Agency has indicated that the Redemption Payment saved the Agency approximately \$856,260 in debt service payments on the Bonds that otherwise would have been due had they Bonds fully matured, and the calculations regarding such savings have been provided by the Successor Agency to the Oversight Board;

WHEREAS, the Agency was dissolved on February 1, 2012, by way of Assembly Bill ("AB") 1x26 (as subsequently amended by AB 1484, the "Dissolution Act") and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231;

WHEREAS, the Dissolution Act created the Montebello Successor Agency ("Successor Agency") to effectuate the "winding down" of the Agency, and is a separate and independent public entity from the City which provides for its governance;

WHEREAS, the Dissolution Act created the Montebello Oversight Board (“Oversight Board”) to oversee, review, and approve certain actions of the Successor Agency, and is authorized to direct the disposal of the assets of the former Agency (Health & Safety Code § 34181(a)), and to approve a request by the Successor Agency to enter into an agreement with the City (Health & Safety Code § 34181(h));

WHEREAS, the Dissolution Act authorizes the State Controller’s Office to review asset transfers between the Agency and City occurring between January 1, 2011, and the date of the Agency’s dissolution (Health & Safety Code § 34167.5);

WHEREAS, the Successor Agency has indicated that the State Controller’s Office, pursuant to its audit authority, has questioned the propriety of the Redemption Payment, but has indicated that if the Oversight Board approves the Redemption Payment the State Controller’s Office will no longer question the transaction; and

WHEREAS, the Oversight Board desires to approve the January 4, 2012 Redemption Payment pursuant to its authority to direct the transfer of assets of the former Agency (Health & Safety Code § 34181(a)), and to ratify the enforceability of the Redemption Payment on the Successor Agency, as the Redemption Payment results in a net saving of \$856,260 in former Agency assets, to the direct benefit of the taxing entities.

NOW THEREFORE, THE MONTEBELLO OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. After consideration of staff presentations, reports, discussions, public comments, and other evidence presented, the Oversight Board hereby finds and declares that the foregoing recitals are true and correct and incorporate them herein.


SECTION 2. The Oversight Board finds and declares that the requirements of Health & Safety Code Section 34181(f) have been satisfied, in that the Oversight Board has held a public meeting to consider its approval of the Redemption Payment.

SECTION 3. The Oversight Board finds and declares that approval of the Redemption Payment will result in a net benefit to the taxing entities, and therefore approves the Redemption Payment in accordance with subdivision (a) of Health & Safety Code Section 34181, and subdivision (h) of Health & Safety Code Section 34181.

SECTION 4. Successor Agency staff is hereby directed to provide notice of this Resolution to the Department of Finance in compliance with Health & Safety Code Section 34179(h), and this Resolution and the actions approved hereby shall be subject to review by the Department of Finance pursuant to Health & Safety Code Section 34181(f).

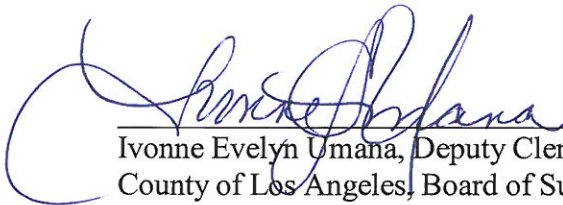
SECTION 5. The Clerk of the Oversight Board shall certify to the passage and adoption of this Resolution, and it shall become effective immediately upon its approval.

PASSED, APPROVED and ADOPTED this 13th day of November, 2013



Richard Bruckner, Chairperson
City of Montebello Oversight Board

ATTEST:



Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the Montebello Oversight Board

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the City of Montebello Oversight Board at a special meeting held on the 13th day of November 2013 by the following vote:

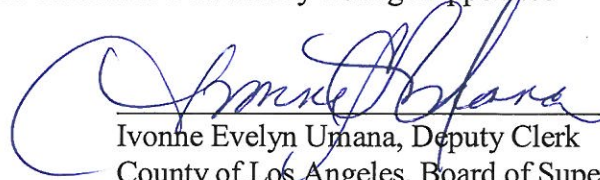
AYES: Board Members: Edgar Cisneros, Angel F. Barnuevo, Denise Hagopian, Cheryl Plotkin, Vice Chair Ernesto Hidalgo, Chair Richard Bruckner

NOES: None

ABSENT: None

ABSTAIN: None

VACANT: Chancellor of California Community College Appointee



Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the Montebello Oversight Board

OVERSIGHT BOARD RESOLUTION NO. **13-10**

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MONTEBELLO APPROVING THE MAY 11, 2011 PREPAYMENT AND PARTIAL SATISFACTION AGREEMENT BETWEEN THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MONTEBELLO AND THE CITY OF MONTEBELLO

WHEREAS, the Successor Agency of the former Community Redevelopment Agency of the City of Montebello ("Successor Agency") has provided documentation indicating that in 2000, the Montebello Public Improvement Corporation executed and delivered its 2000 Certificates of Participation ("COPs"), which were secured in part by the promise of the City of Montebello ("City") to make lease payments, to fund certain capital improvements of benefit to the project areas of the Community Redevelopment Agency of the City of Montebello ("Agency");

WHEREAS, the Successor Agency has indicated that contemporaneous with issuance of the COPs, the City and Agency executed a Reimbursement Agreement, pursuant to which the Agency pledged tax increment to COPs holders to satisfy the City's payment obligations under the COPs, in consideration for the project's redevelopment benefits;

WHEREAS, the Successor Agency has indicated that on June 14, 2010, the Agency and City executed a Loan Agreement, which states that the Agency was extending an \$8 million line of credit for the City's use in maintaining essential services of benefit to the Agency's project areas;

WHEREAS, the Successor Agency has indicated that on September 22, 2010, the Agency and City executed an Amended and Restated Loan Agreement under authority of Government Code section 53850 *et seq.*, which superseded the Loan Agreement in its entirety and extended the City's line of credit to \$19.3 million (the "TRAN");

WHEREAS, the City borrowed a total of \$16,863,162.14 over the life of the TRAN;

WHEREAS, on May 11, 2011, the Agency and City approved a "Prepayment and Partial Satisfaction Agreement" ("Prepayment Agreement"), under which the Agency prepaid \$17,462,276 of its future payment obligations under the Reimbursement Agreement;

WHEREAS, the City accepted the Prepayment Agreement at the discounted present-day value of \$13,487,438 to offset amounts it owed the Agency under the TRAN, and repaid the remaining TRAN balance with a cash transfer of \$3,375,724.14 on June 2, 2011;

WHEREAS, the Successor Agency has indicated that the Prepayment Agreement saved the Agency approximately \$4 million in debt service interest payments over the life of the COPs, and the calculations regarding such savings have been provided by the Successor Agency to the Oversight Board;

WHEREAS, on February 1, 2011, the Agency was dissolved by way of Assembly Bill ("AB") 1x26 (as subsequently amended by AB 1484, the "Dissolution Act") and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231;

WHEREAS, the Dissolution Act created the Montebello Successor Agency ("Successor Agency") to effectuate the "winding down" of the Agency, and is a separate and independent public entity from the City which provides for its governance;

WHEREAS, the Dissolution Act created the Montebello Oversight Board ("Oversight Board") to oversee, review, and approve certain actions of the Successor Agency, and is authorized to direct the disposal of the assets of the former Agency (Health & Safety Code § 34181(a)), and to approve a request by the Successor Agency to enter into an agreement with the City (Health & Safety Code § 34181(h));

WHEREAS, the Agency's payment of amounts owed under the Reimbursement Agreement have been recognized by the Oversight Board and the Department of Finance ("Finance") as an "enforceable obligation" including in connection with submittals of recognized obligation payment schedules;

WHEREAS, because of the Prepayment Agreement, the City will be responsible for satisfying the Agency's payment obligations under the COPs commencing November 1, 2014, and continuing through November 1, 2026, and the Successor Agency will not have to make the payments thereon, using property tax revenues, in annual installments of between \$1.3 and \$1.7 million;

WHEREAS, the Successor Agency has indicated that the Prepayment Agreement was not questioned during the "all other fund due diligence review" ("DDR"), which reviewed transactions between the Agency and City between January 1, 2011 and June 30, 2012, and the DDR was reviewed and approved by the Oversight Board and Finance;

WHEREAS, Dissolution Act authorizes the State Controller's Office to review asset transfers between the Agency and City occurring between January 1, 2011, and the date of the Agency's dissolution (Health & Safety Code § 34167.5);

WHEREAS, the Successor Agency has indicated that the State Controller's Office, pursuant to its audit authority, has questioned the Prepayment Agreement, but has indicated that if the Oversight Board approves the Prepayment Agreement the State Controller's Office will no longer question the transaction.

WHEREAS, the Oversight Board has considered staff presentations, reports, discussions and public comments and other evidence presented; and

WHEREAS, the Oversight Board desires to approve the May 1, 2011 Prepayment Agreement pursuant to its authority to direct the transfer of assets of the former Agency (Health & Safety Code § 34181(a)), and to ratify the enforceability of the Prepayment Agreement on the Successor Agency (Health & Safety Code § 34181(h)), as the Prepayment Agreement results in a net saving of \$4 million in former Agency assets over the life of the COPs to the direct benefit of the taxing entities, significantly shortens the Agency's long-term debt obligations, and such approval will be consistent with the findings of the DDR.

NOW THEREFORE, THE MONTEBELLO OVERSIGHT BOARD DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Oversight Board finds and declares that approval of the Prepayment Agreement will result in a net benefit to the taxing entities, will shorten the Agency's long-term debt obligations, and will be consistent with findings made by Finance on the DDR, and therefore approves the Prepayment Agreement.

SECTION 2. Successor Agency staff is hereby directed to provide notice of this Resolution to the Department of Finance in compliance with Health & Safety Code Section 34179(h), and this Resolution and the actions approved hereby shall be subject to review by the Department of Finance.

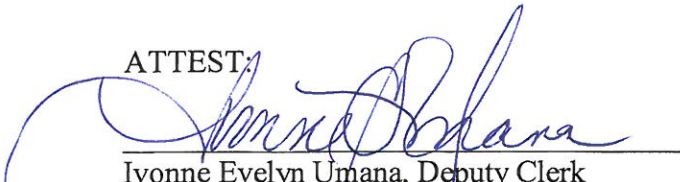
SECTION 3. The Clerk of the Oversight Board shall certify to the passage and adoption of this Resolution, and it shall become effective immediately upon its approval.

PASSED, APPROVED and ADOPTED this 13th day of November, 2013



Richard Bruckner, Chairperson
City of Montebello Oversight Board

ATTEST:



Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the Montebello Oversight Board

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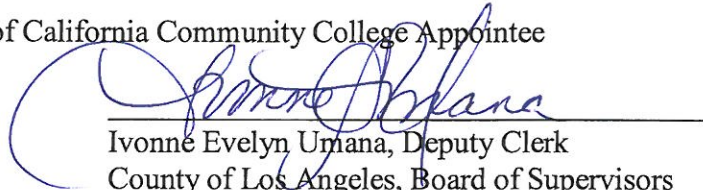
AYES: Board Members: Edgar Cisneros, Angel F. Barnuevo, Denise Hagopian, Cheryl Plotkin, Vice Chair Ernesto Hidalgo, Chair Richard Bruckner

NOES: None

ABSENT: None

ABSTAIN: None

VACANT: Chancellor of California Community College Appointee



Ivonne Evelyn Umana, Deputy Clerk
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Acting as Secretary to the Montebello Oversight Board